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FISCAL AND POLICY NOTE
Revised

House Bill 538
Appropriations

(Delegate Jones, *et al.*)

Education, Health, and Environmental Affairs

Foster Care - Tuition Exemption - Expanded Eligibility

This bill expands eligibility for tuition and mandatory fee waivers for public institutions of higher education in Maryland to younger siblings of foster care recipients who have been adopted by the same family. To be eligible, the foster care children must share one or both parents before the adoption and be adopted from an out-of-home placement, at the same time, by the same family. The bill also expands eligibility to foster care recipients who were adopted from an out-of-home placement after their thirteenth, rather than fourteenth, birthday.

Fiscal Summary

State Effect: Higher education tuition revenues at public four-year institutions of higher education decrease by approximately \$7,300 per full-time equivalent (FTE) student qualifying for the tuition waiver beginning in FY 2010. Tuition revenues at the Baltimore City Community College (BCCC) decrease by approximately \$3,000 per FTE student qualifying for the tuition waiver.

Local Effect: Tuition revenues at community colleges decrease approximately \$3,200 per FTE student qualifying for the tuition waiver beginning in FY 2010. Expenditures are not affected.

Small Business Effect: None.

Analysis

Current Law: Local departments of social services are required to place siblings together in an out-of-home placement if it is in the siblings' best interests and placement together does not conflict with a specific health or safety regulation. If the placement of siblings together does conflict with a specific health or safety regulation, the local department may place the siblings together if the local department makes a written finding describing how placing the siblings together serves the siblings' best interests.

A local department of social services may not seek custody of a child under a voluntary placement agreement if the child has a developmental disability or a mental illness and the purpose of the voluntary placement is to obtain treatment or care related to the child's disability that the parent is unable to provide. A child may remain in an out-of-home placement under a voluntary placement agreement for more than 180 days if the child's disability necessitates care or treatment in the out-of-home placement and a juvenile court makes a finding that continuing the placement is in the child's best interests.

Foster care recipients are eligible for tuition and mandatory fee exemption to attend a public institution of higher education in Maryland if they resided in an out-of-home placement when they graduated from high school or completed a general equivalency development (GED) examination.

Foster care recipients adopted from out of an out-of-home placement after their fourteenth birthday are also eligible for the exemption. The recipient must be enrolled as a candidate for an associate's or bachelor's degree before reaching age 21 and must file annually for federal and State financial aid by March 1. The exemption continues until five years after initial enrollment or until the recipient receives a bachelor's degree.

Background: Chapter 506 of 2000 established the tuition waiver program for children in foster care homes, and Chapter 644 of 2007 extended the program to foster care children in out-of-home placements. Allowing younger siblings of the applicable youth to also receive the waiver provides a strong incentive for foster parents to adopt an entire family of children, therefore keeping families together.

The Maryland Higher Education Commission (MHEC) reports that 128 foster care children received tuition waivers in fiscal 2007 and 108 received tuition waivers in fiscal 2008. The waivers reduced tuition revenues at community colleges and public four-year institutions by approximately \$312,500 in fiscal 2007 and \$303,100 in fiscal 2008.

The Department of Human Resources (DHR) advises that costs for students served by the tuition fee waiver represent the State's in-kind contribution for the Chafee Education and Training Voucher (ETV). This voucher is a grant from the federal government that allows financial support for youth who have aged out of foster care or who have been adopted from the foster care system after age 16 that can extend beyond tuition and fees to such things as transportation, day care, living allowance, special equipment, current loan repayments, and a portion of room and board and books. Without maximum use of the tuition waiver, the State's 20% required matching contribution would have to be in some other specifically identified source of State monies. In fiscal 2008, the State received \$1.0 million from the program; however, there is no funding currently in the fiscal 2009 budget nor in the Governor's proposed fiscal 2010 budget from this source.

State Revenues: Higher education tuition revenues decrease beginning in fiscal 2010 due to the expansion of the foster care tuition waiver program. The exact impact cannot be reliably quantified because data on the number of sibling groups adopted each year, the number of siblings in each group, and the number of foster care recipients adopted between their thirteenth and fourteenth birthdays is unavailable.

Using the proposed fall 2009 rates, the average annual tuition and fees for full-time resident undergraduates at public four-year institutions for fiscal 2010 is \$7,314. The actual amount of the revenue decrease per FTE student may be less depending on the number of credits attempted per recipient and the distribution of institutions waiver recipients choose to attend. MHEC reports 77 foster care recipients received a tuition waiver to attend public four-year colleges in fiscal 2008 at an average cost of \$3,419 per recipient and a total cost of approximately \$263,200.

Tuition revenues also decrease at Baltimore City Community College, the only State-operated community college, by up to \$3,022 per FTE student receiving a waiver. These students received a waiver in fiscal 2008 at an average cost of \$675 per recipient.

Future year revenue reductions are dependent on the number of sibling groups adopted each year, the number of siblings in each group, the number of younger siblings of foster care recipients who choose to use the tuition waiver, the number of foster care recipients adopted between their thirteenth and fourteenth birthdays, the number of credits attempted per student, and the distribution of institutions that waiver recipients choose to attend.

Local Revenues: Tuition revenues at locally operated community colleges decrease beginning in fiscal 2010. The exact impact cannot be reliably quantified because data on the number of sibling groups adopted each year, the number of siblings in each group, and the number of foster care recipients adopted between their thirteenth and fourteenth birthdays is unavailable.

The average annual tuition and fees for full-time in-county students at the community colleges for fiscal 2009 is \$3,228. The actual amount of the revenue decrease per FTE student may be less depending on the number of credits attempted per student and the distribution of institutions waiver recipients choose to attend. MHEC reports 28 foster care recipients received a tuition waiver to attend community colleges in fiscal 2008 at an average cost of \$1,352 per recipient and a total cost of approximately \$37,900.

Future year revenue reductions are dependent on the number of sibling groups adopted, the number of siblings in each group, the number of younger siblings of foster care recipients who choose to use the tuition waiver, the distribution of institutions waiver recipients choose to attend, and the number of foster care recipients adopted between their thirteenth and fourteenth birthdays.

Additional Information

Prior Introductions: None.

Cross File: SB 372 (Senator Currie, *et al.*) - Education, Health, and Environmental Affairs.

Information Source(s): Baltimore City Community College, Department of Human Resources, Maryland Higher Education Commission, Morgan State University, St. Mary's College, University System of Maryland, Department of Legislative Services

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